

House File 2531

H-8552

Amend House File 2531 as follows:

1. Page 38, after line 1 by inserting:

<DIVISION

STATE EXPENDITURE LIMITATIONS

Sec. _____. Section 8.22A, Code 2009, is amended to read as follows:

8.22A Revenue estimating conference.

1. The state revenue estimating conference is created consisting of the governor or the governor's designee, the director of the legislative services agency or the director's designee, and a third member agreed to by the other two.

2. The conference shall meet as often as deemed necessary, but shall meet at least quarterly. The conference may use sources of information deemed appropriate. At each meeting, the conference shall agree to estimates for both the current and succeeding fiscal years for the general fund of the state, lottery revenues to be available for disbursement, and from gambling revenues and from interest earned on the cash reserve fund and the economic emergency fund to be deposited in the rebuild Iowa infrastructure fund.

3. By For purposes of the state general fund expenditure limitation and other expenditure limitations under section 8.54, by December 15 of each fiscal year the conference shall agree to a revenue estimate revenue estimates for the amounts of moneys subject to an expenditure limitation under section 8.54 for the fiscal year beginning the following July

1. That The estimate amounts shall be used by the governor in the preparation of the budget message under section 8.22 and by the general assembly in the budget process. If the conference agrees to a different estimate at a later meeting which projects a greater amount of revenue than the initial estimate amount agreed to by December 15, the governor and the general assembly shall continue to use the initial estimate amount in the budget process for that fiscal year. However, if the conference agrees to a different estimate at a later meeting which projects a lesser amount of revenue than the initial estimate amount, the governor and the general assembly shall use the lesser amount in the budget process for that fiscal year. As used in this subsection, "later meeting" means only those later meetings which are held prior to the conclusion of the regular session of the general assembly and, if the general assembly holds an extraordinary session prior to the commencement of the fiscal year to which the estimate applies, those later meetings which are held before or during the

1 extraordinary session.

2 4. At the meeting in which the conference agrees
3 to the revenue estimate for the general fund of the
4 state for the following fiscal year in accordance with
5 the provisions of subsection 3, the conference shall
6 agree to an estimate for tax refunds payable from that
7 estimated revenue. The estimates required by this
8 subsection shall be used in determining the adjusted
9 revenue estimate under section 8.54.

10 5. At the meeting in which the conference agrees
11 to the revenue estimate for the general fund of the
12 state for the succeeding fiscal year in accordance
13 with the provisions of subsection 3, the conference
14 shall also agree to the following estimates which shall
15 be used by the governor in preparation of the budget
16 message under section 8.22 and the general assembly in
17 the budget process for the succeeding fiscal year:

18 a. The amount of lottery revenues that will be
19 deposited in the general fund for the following fiscal
20 year to be available for disbursement following the
21 deductions made pursuant to section 99G.39, subsection
22 1. This estimate shall be included in the conference's
23 estimate of general fund revenues and shall be
24 calculated as the sum of the following, divided by
25 seven, as agreed to by the conference:

26 (1) The conference's estimate of the amount of
27 lottery revenues to be deposited in the general fund
28 for the succeeding fiscal year.

29 (2) The conference's estimate of the amount of
30 lottery revenues to be deposited in the general fund
31 for the current fiscal year.

32 (3) The actual amount of the lottery revenues
33 deposited in the general fund for the five most
34 recently completed fiscal years, adjusted for inflation
35 through the close of the most recently completed fiscal
36 year.

37 b. The amount of revenue for the following fiscal
38 year from gambling revenues and from interest earned on
39 the cash reserve fund and the economic emergency fund
40 to be deposited in the rebuild Iowa infrastructure fund
41 under section 8.57, subsection 6, paragraph "e".

42 c. The amount of accruals of those revenues
43 collected by or due from entities other than the
44 state on or before June 30 of the fiscal year but not
45 remitted to the state until after June 30.

46 d. The amount of accrued lottery revenues collected
47 on or before June 30 of the fiscal year but not
48 transferred to the general fund of the state until
49 after June 30.

50 6. At the meeting in which the conference agrees to

1 the revenue estimates for the succeeding fiscal year
2 in accordance with subsection 3, the conference shall
3 agree to the amount available in the cash reserve fund
4 as of the close of the previous fiscal year that may be
5 appropriated for nonrecurring emergency expenditures as
6 provided in section 8.56, subsection 5.

7 Sec. _____. Section 8.54, Code 2009, is amended to
8 read as follows:

9 **8.54 General fund expenditure limitation and other**
10 **expenditure limitations.**

11 1. For the purposes of section 8.22A, this section,
12 and sections 8.55 through 8.57:

13 a. "Adjusted revenue estimate" means the appropriate
14 revenue estimate for the general fund for the following
15 fiscal year as determined by the revenue estimating
16 conference under section 8.22A, subsection 3, adjusted
17 by subtracting estimated tax refunds payable from
18 that estimated revenue, adding accruals determined in
19 accordance with section 8.22A, subsection 5, and as
20 determined by the conference, adding any new revenues
21 which may be considered to be eligible for deposit in
22 the general fund.

23 b. "Inflation" means the percentage change in the
24 consumer price index for all urban consumers, midwest
25 region, published by the United States department of
26 labor, bureau of labor statistics.

27 c. "New revenues" means moneys which are received
28 by the general fund of the state due to increased
29 tax rates and fees or newly created taxes and fees
30 over and above those moneys which are received due to
31 state taxes and fees which are in effect as of January
32 1 following the December state revenue estimating
33 conference. "New revenues" also includes moneys
34 received by the general fund of the state due to new
35 transfers over and above those moneys received by the
36 general fund of the state due to transfers which are
37 in effect as of January 1 following the December state
38 revenue estimating conference. The department of
39 management shall obtain concurrence from the revenue
40 estimating conference on the eligibility of transfers
41 to the general fund of the state which are to be
42 considered as new revenue in determining the state
43 general fund expenditure limitation.

44 2. a. There is created a state general fund
45 expenditure limitation for each fiscal year calculated
46 as provided in this section.

47 b. There is created a gambling revenue expenditure
48 limitation calculated as provided in this section. The
49 limitation applies to revenues received by the state
50 that are attributable to gambling and available for

1 appropriation but are not credited to the general fund
2 of state. The gambling revenue expenditure limitation
3 does not include lottery revenue.

4 c. An expenditure limitation shall be used for the
5 portion of the budget process commencing on the date
6 the revenue estimating conference agrees to a revenue
7 estimate for the following fiscal year in accordance
8 with section 8.22A, subsection 3, and ending with
9 the governor's final approval or disapproval of the
10 appropriations bills applicable to that fiscal year
11 that were passed prior to July 1 of that fiscal year in
12 a regular or extraordinary legislative session.

13 3. Except as otherwise provided in this section,
14 the state general fund expenditure limitation for
15 a fiscal year shall be ninety-nine percent of the
16 adjusted revenue estimate of the general fund average,
17 as agreed to by the revenue estimating conference. The
18 general fund average for a fiscal year is the sum of
19 the following, divided by seven:

20 a. The adjusted revenue estimate for the succeeding
21 fiscal year.

22 b. The revenue estimate for the current fiscal
23 year, adjusted by subtracting estimated tax refunds
24 payable from that estimated revenue and as determined
25 by the conference, adding any new revenues which may be
26 considered to be eligible for deposit in the general
27 fund.

28 c. The net revenue for the general fund of the
29 state for the five most recently completed fiscal
30 years, adjusted by subtracting tax refunds paid from
31 the revenue and adjusted for inflation through the
32 close of the most recently completed fiscal year.

33 4. The gambling revenue expenditure limitation
34 for a fiscal year shall be the sum of the following,
35 divided by seven, as agreed to by the revenue
36 estimating conference:

37 a. The gambling revenues estimate for the
38 succeeding fiscal year.

39 b. The gambling revenues estimate for the current
40 fiscal year.

41 c. The net gambling revenues for the five most
42 recently completed fiscal years, adjusted for inflation
43 through the close of the most recently completed fiscal
44 year.

45 4. 5. The state general fund expenditure
46 limitation amount and the gambling revenue expenditure
47 limitation amount provided for in this section shall
48 be used by the governor in the preparation of the
49 budget under section 8.22 and approval of the budget
50 and by the general assembly in the budget process.

1 If a source for new revenues is proposed, the budget
2 revenue projection used for that new revenue source
3 for the period beginning on the effective date of the
4 new revenue source and ending in the fiscal year in
5 which the source is included in the revenue base shall
6 be an amount determined by subtracting estimated tax
7 refunds payable from the projected revenue from that
8 new revenue source, multiplied by ninety-five percent.
9 If a new revenue source is established and implemented
10 that would affect an expenditure limitation amount,
11 the original ~~state general fund~~ expenditure limitation
12 amount provided for in subsection 3 shall be readjusted
13 to include ninety-five percent of the estimated revenue
14 from the new revenue source.

15 ~~5. For fiscal years in which section 8.55,~~
16 ~~subsection 2, results in moneys being transferred~~
17 ~~to the general fund, the original state general~~
18 ~~fund expenditure limitation amount provided for in~~
19 ~~subsection 3 shall be readjusted to include the moneys~~
20 ~~which are so transferred.~~

21 6. The scope of the expenditure
22 limitation limitations
23 under ~~subsection 3~~ this section shall not encompass
24 federal funds, donations, constitutionally dedicated
25 moneys, moneys appropriated from the cash reserve
26 fund or Iowa economic emergency fund, and moneys in
27 expenditures from state retirement system moneys.

28 7. The governor shall transmit to the general
29 assembly, in accordance with section 8.21, a
30 budget which does not exceed the ~~state general fund~~
31 ~~expenditure limitation~~ expenditure limitations under
32 this section. The general assembly shall pass a
33 budget which does not exceed the ~~state general fund~~
34 ~~expenditure limitation~~ expenditure limitations. The
35 governor shall not transmit a budget with recommended
36 appropriations in excess of the ~~state general fund~~
37 ~~expenditure limitation~~ expenditure limitations and
38 the general assembly shall not pass a budget with
39 appropriations in excess of the ~~state general fund~~
40 ~~expenditure limitation~~ expenditure limitations. The
41 governor shall not approve or disapprove appropriation
42 bills or items of appropriation bills passed by the
43 general assembly in a manner that would cause the
44 final budget approved by the governor to exceed the
45 ~~state general fund expenditure limitation~~ expenditure
46 limitations. In complying with the requirements
47 of this subsection, the governor and the general
48 assembly shall not rely on any anticipated reversion
49 of appropriations in order to meet the ~~state general~~
50 ~~fund~~ any expenditure limitation.

1 Sec. _____. Section 8.55, subsection 2, paragraph a,
2 Code 2009, is amended to read as follows:

3 a. The maximum balance of the fund is the amount
4 equal to ~~two~~ five and one-half percent of the adjusted
5 revenue estimate for the fiscal year. If the amount of
6 moneys in the Iowa economic emergency fund is equal to
7 the maximum balance, moneys in excess of this amount
8 shall be transferred to the ~~general fund~~ property tax
9 equity and relief fund created in section 257.16A.

10 Sec. _____. Section 8.56, subsections 2 and 3, Code
11 2009, are amended to read as follows:

12 2. a. Moneys shall be credited to the cash reserve
13 fund from all of the following:

14 (1) Appropriations made to the fund pursuant to
15 section 8.57.

16 (2) The state's share of the proceeds under chapter
17 809A.

18 (3) Moneys collected in the settlement or
19 prosecution of a claim by the state that are not
20 otherwise specifically allocated in accordance with law
21 to another fund.

22 (4) Other moneys designated by law or by the
23 executive council as one-time revenues and which are
24 not otherwise specifically allocated by law to another
25 fund.

26 b. The maximum balance of the cash reserve fund is
27 the amount equal to the cash reserve goal percentage,
28 as defined in section 8.57, multiplied by the adjusted
29 revenue estimate for the general fund of the state for
30 the current fiscal year.

31 3. The moneys in the cash reserve fund shall only
32 be used pursuant to an appropriation made by the
33 general assembly. An Except as provided in subsection
34 5, an appropriation shall be made in accordance with
35 subsection 4 from the cash reserve fund only for the
36 fiscal year in which the appropriation is made. The
37 moneys shall only be appropriated by the general
38 assembly for nonrecurring emergency expenditures and
39 shall not be appropriated for payment of any collective
40 bargaining agreement or arbitrator's decision
41 negotiated or awarded under chapter 20. Except as
42 provided in section 8.58, the cash reserve fund shall
43 be considered a special account for the purposes of
44 section 8.53 in determining the cash position of the
45 general fund of the state for the payment of state
46 obligations.

47 Sec. _____. Section 8.56, Code 2009, is amended by
48 adding the following new subsection:

49 NEW SUBSECTION. 5. If the adjusted revenue
50 estimate for the succeeding fiscal year is less than

1 ninety-eight percent of the general fund average for
2 that fiscal year under section 8.54, subsection 3, an
3 appropriation for nonrecurring emergency expenditures
4 from the cash reserve fund may be made to provide
5 additional funding for the succeeding fiscal year.
6 However, the amount of such appropriation shall not
7 exceed the difference of ninety-eight percent of
8 such general fund average minus the adjusted revenue
9 estimate for the succeeding fiscal year. The amount of
10 such appropriation shall not exceed twenty-five percent
11 of the ending balance in the cash reserve fund in the
12 most recently completed fiscal year.

13 Sec. _____. Section 284.3A, Code Supplement 2009, is
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 4. The teacher salary supplement
16 district cost as calculated under section 257.10,
17 subsection 9, and the area education agency teacher
18 salary supplement district cost as calculated under
19 section 257.37A, subsection 1, are not subject to a
20 uniform reduction in accordance with section 8.31.
21 Notwithstanding any provision of law to the contrary,
22 if the governor orders budget reductions in accordance
23 with section 8.31, a collective bargaining agreement
24 negotiated under chapter 20 and in effect on the date
25 the budget reduction was ordered shall be reopened
26 and renegotiated by the boards of directors of school
27 districts and area education agencies and the employee
28 organizations representing the employees of the school
29 districts and area education agencies.

30 Sec. _____. Section 809A.17, subsection 3, Code 2009,
31 is amended to read as follows:

32 3. The state share of the cash proceeds from
33 forfeited property shall be credited to the cash
34 reserve fund. Forfeited property that is not cash
35 or sold may be used by the department of justice in
36 the enforcement of the criminal law. The department
37 may give, sell, or trade forfeited property that is
38 not cash or sold to any other state agency or to any
39 other law enforcement agency within the state if, in
40 the opinion of the attorney general, it the forfeited
41 property will enhance law enforcement within the state.

42 Sec. _____. APPLICABILITY. This division of this Act
43 applies beginning July 1, 2010, for the budget process
44 for the succeeding fiscal year.>

45 2. By renumbering as necessary.

RANTS of Woodbury

ALONS of Sioux

ANDERSON of Page

ARNOLD of Lucas

BAUDLER of Adair

CHAMBERS of O'Brien

COWNIE of Polk

DE BOEF of Keokuk

DEYOE of Story

DOLECHECK of Ringgold

DRAKE of Cass

FORRISTALL of Pottawattamie

GRASSLEY of Butler

HAGENOW of Polk

HEATON of Henry

HELLAND of Polk

HORBACH of Tama

HUSEMAN of Cherokee

KAUFMANN of Cedar

KOESTER of Polk

LUKAN of Dubuque

MAY of Dickinson

L. MILLER of Scott

S. OLSON of Clinton

PAULSEN of Linn

PETTENGILL of Benton

RAECKER of Polk

RAYHONS of Hancock

ROBERTS of Carroll

SANDS of Louisa

SCHULTE of Linn

SCHULTZ of Crawford

SODERBERG of Plymouth

SORENSEN of Warren

STRUYK of Pottawattamie

SWEENEY of Hardin

TJEPKES of Webster

TYMESON of Madison

UPMEYER of Hancock

VAN ENGELENHOVEN of Marion

WAGNER of Linn

WATTS of Dallas

WINDSCHITL of Harrison

WORTHAN of Buena Vista